



Charles N. Kahn III
President

June 16, 2003

The Honorable Dennis J. Hastert
Speaker of the House
235 Cannon House Office Building
Washington, DC 20515-0001

The Honorable William M. Thomas
Chairman
House Committee on Ways and Means
2208 Rayburn House Office Building
Washington, DC 20515-0001

The Honorable W. J. "Billy" Tauzin
Chairman
House Committee on Energy and Commerce
2183 Rayburn House Office Building
Washington, DC 20515-0001

Dear Speaker Hastert, Chairman Thomas and Chairman Tauzin:

The Federation of American Hospitals congratulates you, other members of the House Republican leadership, and all those who cosponsor the *Medicare Prescription Drug and Modernization Act of 2003* for its Medicare reforms and the drug coverage it would provide for seniors and the disabled. We urge members of the Ways and Means Committee, Energy and Commerce Committee as well as the entire U.S. House of Representatives to support and vote for the bill as it is considered by the House.

The *Medicare Prescription Drug and Modernization Act of 2003* also includes important provisions that would enhance rural hospital care. These provisions would make a major difference for Medicare beneficiaries in rural and small town America.

Additionally, we must continue to express two deep concerns about the measure. First, the bill would reduce future Medicare hospital market basket updates. And, second, it fails to close the loophole in the whole hospital exception for physician ownership of and referral to boutique specialty hospitals. We look forward to working with the Congress on these two critical aspects of the bill as it proceeds through the legislative process.

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The Federation of American Hospitals believes the *Medicare Prescription Drug and Modernization Act of 2003* would strengthen the Medicare program, and looks forward to swift passage of the measure by the full House.

Sincerely,

A handwritten signature in black ink, appearing to read "W. J. Tauzin", written over a horizontal line.